



## Wyoming Lender Alert

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August 2005

Steven Despain, District Director

*Making a Difference for Small Business in Wyoming*

### Steve Elledge Named Financial Services Champion of the Year 2005

The Wyoming District Office of  
the U.S. Small Business



Administration (SBA) has named Steve Elledge, Wyoming Business Council's East-Central Regional Director and who serves as Director of Field Operations overseeing the WBC's six regional offices, as Financial Services Champion of the Year 2005.

This award is given to an individual who assists small businesses in obtaining financing, either directly or indirectly or through advocacy efforts to increase the availability of financial services. The President of the United States recognizes contributions of the small business community to the American economy and society by proclamation each year.

Steve spent 15+ years in the oil business, ten in refining and five in exploration and production. Since that time, Steve has served as Director of the Casper College Center of the Wyoming Small Business Development Center

network, Vice President of the Casper Area Economic Development Alliance, and worked in a variety of management positions in private industry. Steve also has experience as an owner/investor in a variety of small business ventures. He joined the Wyoming Business Council in July of 1999.

Steve Elledge's customers receive his financial wisdom and counseling that only a caring and competent person can give. "Steve served as the President of the board of Directors of Frontier Certified Development Company as we struggled to bring an inactive CDC back to life," writes his nominator, Diane Johnston, President, WIDC/Frontier Certified Development Company.

### SBA's Improves HUBZone Program to Help Small Businesses Create More Jobs

The U.S. Small Business Administration is changing its Historically Underutilized Business (HUBZone) program to help small businesses create more jobs in economically distressed communities.

"These pivotal changes to the HUBZone program expand its reach dramatically and will create more jobs and economic growth in economically depressed areas for small businesses, and stimulate growth in the nation's economy," said Administrator Hector V. Barreto. Under recent legislation,

a small business applying for HUBZone certification no longer needs to be owned and controlled exclusively by U.S. citizens. Now, the level of required ownership by U.S. citizens is 51 percent. Also, agricultural cooperatives have joined community development corporations and Indian tribes as entities that can participate in the HUBZone Program.

Tribally-owned small businesses also have new options regarding the HUBZone employment requirement, one of four basic eligibility criteria. A tribal business can choose to meet the 35 percent residency at the time of application or wait until the firm actually receives a HUBZone contract. If this latter option is chosen, the business will be required to ensure that 35 percent of those working on the contract reside in a reservation area controlled by the tribe, or an adjoining HUBZone.

Another change permits a rural county to qualify for HUBZone status if its local unemployment rate is high relative to either the state's annualized unemployment rate or the national unemployment rate. Previously, the only comparison was permitted against the state level.

Finally, small businesses that either were terminated or are facing imminent termination from the HUBZone Program because the areas where the firms are located are no longer considered to

be economically distressed will retain the ability to participate in the HUBZone Program until the results of the next census data collection, scheduled for 2010, is analyzed and released to the public.

For additional information on the changes to the HUBZone program, visit the Web site at [www.sba.gov/hubzone](http://www.sba.gov/hubzone).

***SBA to Help  
Service-Disabled  
Veteran-Owned Small  
Businesses With  
Federal Contracting  
Opportunities***

An office created by the U.S. Small Business Administration will help service-disabled veteran owned small businesses navigate the federal contracting marketplace and gain better access to federal contracting opportunities.

“We are eager to accept the challenge that President Bush has issued to us to help ensure that service-disabled veteran-owned small businesses receive their fair share of contracting opportunities,” said SBA Administrator Hector V. Barreto. “Their contributions to our country and their courage are admirable and the SBA is ready to help these small businesses gain access to contracting opportunities in the federal marketplace and grow their businesses.”

The Office of Federal Contract Assistance for Veteran Business Owners, established in accordance with a Presidential Executive Order, will provide service disabled veteran business owners with a single point of contact to address their questions and concerns and receive clarification on procurement opportunities designated for them. It will also:

- offer guidance on sole-source and set-aside procurement opportunities, and protest and appeal procedures;

- help federal agencies meet their 3 percent prime and subcontracting goals; and
- provide guidance to federal contracting officers on the criteria used to verify service-disabled veteran status, and determine business ownership and control requirements.

Teresa Lewis, a 20-year veteran of the Air Force with more than 14 years of government contracting experience, will head the new office

The Executive Order:

- directs heads of agencies to develop a strategic plan to provide more contracting and subcontracting opportunities to service disabled veteran-owned small businesses;
- establishes a goal of not less than 3 percent for participation by service-disabled veteran-owned businesses in federal contracting and gives agency contracting officers the authority to reserve certain procurements for service disabled veteran-owned small businesses; and
- requires the administrator of the SBA to designate an appropriate entity within the SBA to work with the ‘Veteran Affairs’ Center for Veterans Enterprise to provide information and assistance in federal contracting to service disabled veteran-owned businesses.

To view the Executive Order in its entirety, visit [www.whitehouse.gov/news/releases/2004/10/print/20041021-5.html](http://www.whitehouse.gov/news/releases/2004/10/print/20041021-5.html).

***President Announces  
Appointment of Stephen  
Galvan  
As Acting Deputy  
Administrator of SBA***

President Bush has designated U.S. Small Business Administration Chief of Staff Stephen Galvan as acting deputy administrator of the agency.

Galvan will continue to serve as the SBA’s chief of staff and chief operating officer, positions he has held since July 2004. He also has served as the agency’s chief information officer. Galvan is a native of Chicago.

“Stephen Galvan has been a valuable member of my management team here at the SBA, and I am thrilled he will be our next acting deputy administrator,” said SBA Administrator Hector V. Barreto. “Stephen’s impeccable credentials, his from-the-inside understanding of SBA operations and his commitment to small businesses and the Bush Administration make him the perfect person to serve in this important position.”

As SBA’s acting deputy administrator, Galvan serves as second in command to Barreto in managing an agency with more than 80 offices across the country. He is responsible for overseeing policy development and program supervision for the SBA.

Before coming to the SBA, Galvan served as E-Government portfolio manager for the Office of Management and Budget (OMB). There, he used modern technology to improve internal federal government processes to reduce costs in areas such as supply-chain management, financial management and knowledge management.

Galvan, a former entrepreneur, has extensive business and information technology management experience in telecommunications, media, utilities, consumer products and insurance industries. He has worked for Fortune 500 companies and consulting firms.

Galvan holds a Master of Business Administration degree from the University of Chicago Graduate School of Business, a Bachelor of Science degree from the University of Illinois at Chicago, and has done advanced

graduate studies in economics at the University of Illinois at Chicago.

### **State Policies Directly Affect Entrepreneurial Growth**

#### ***Bankruptcy Exemptions, Taxes, Unemployment Programs, And Access To Health Insurance All Affect Entrepreneurship***

The actions of state policy makers directly affect business starts and closures, according to a study released today by the Office of Advocacy of the U.S. Small Business Administration (SBA). Using sophisticated spatial modeling (geographic analysis) the report finds that entrepreneurs make decisions about starting and closing businesses based not only on conditions in their current location, but on conditions in neighboring states. The result is that states with conditions more favorable to small business see an increase in entrepreneurial activity.

“This report should be helpful for state policy makers,” said Thomas M. Sullivan, Chief Counsel for Advocacy. “Their actions have consequences, not only for entrepreneurs in their states, but in the states surrounding them. Make it difficult for entrepreneurs to flourish and you’ll find that their ideas, their creativity, their job creation, and their economic growth will simply go elsewhere.”

While focusing on state bankruptcy exemptions (the items entrepreneurs can shield from creditors during bankruptcy proceedings) and their effect on business formation and dissolution, the report also examined other factors affecting entrepreneurial growth.

Among the statistically significant findings of *A Spatial Model of the Impact of State Bankruptcy Exemptions on Entrepreneurship*, written by Dr.

Aparna Mathur with funding from the Office of Advocacy, are:

- Higher bankruptcy exemptions in neighboring states lower the probability of starting a business in the state of residence.
- Lower taxes in neighboring states increase the probability of business closures in adjoining higher tax states.
- Businesses in states with Self-Employment Assistance programs, which encourage transition to entrepreneurship for the unemployed, are less likely to shut down. These programs exist in seven states.
- Individuals with access to employer provided health insurance are less likely to leave their jobs to start a business.

The Office of Advocacy, the “small business watchdog” of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues.

For more information, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

### **UPCOMING EVENTS**

August 2 – Women’s Roundtable, Jackson  
August 3 – Women’s Roundtable, Casper/Dubois  
August 8-9 – Bank Training, Thermopolis  
August 10 - Bank Training, Cody  
August 11 - Women’s Roundtable, Laramie  
August 12 - Veteran’s Job Fair, Casper

August 16 – Women’s Roundtable, Cody

August 18 – Women’s Roundtable, Powell

August 24 – Bank training, Sheridan

August 25– Bank training, Gillette

August 26 – Bank training, Sundance

### **SBA HOME PAGE**

[www.sba.gov](http://www.sba.gov)

### **SBA’s CUSTOMIZED SITE FOR WYOMING**

[www.sba.gov/wy](http://www.sba.gov/wy)